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Legislation Clarifying Bonding Discretion Advances In Pennsylvania

Last week, Pennsylvania’s Senate Committee on Local Government unanimously approved SB 207, that would amend the Public Works Contractors’ Bond Act to eliminate discretion for local owners to accept other forms of other security in lieu of payment and performance bonds, letters of credit, or an escrow account in amount of 100% of the contract price. The legislation originally included an increase to the local bond threshold requirement from $10K to $500K, while a companion House bill contained a smaller increase, leading to an
impasse. However, negotiations with the author led to an agreement to lower the threshold change to $100K and move the bill forward. The bill will now be considered by the full Senate when the legislature returns in March.

SFAA has worked closely with members and other stakeholders in Pennsylvania to advance this legislation to eliminate local owner’s discretion regarding acceptable forms of security. SFAA supports the Senate committee’s passage of SB 207 and looks forward to working with key stakeholders when it is considered by the full Senate.

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**SFAA Updates Advocacy Webpage for Members**

SFAA’s new advocacy resource landing page is available for members to access today! The new advocacy landing page includes consolidated advocacy materials on the top state and federal issues important to our members. In addition, the landing page features a streamlined platform to access SFAA’s legislative and regulatory tracking reports for all lines of business. Please click here to visit our new advocacy platform for SFAA members.

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**Surety Industry Submits Joint Comments on SBA’s Mentor Protégé Program**

SFAA and the National Association of Surety Bond Producers (NASBP) submitted comments in response to the Small Business Administration’s (SBA) notice of proposed rulemaking designed to consolidate the SBA’s 8(a) Mentor-Protégé Programs and remove unnecessary duplication of functions within the SBA. SFAA and NASBP’s joint comments highlighted two potential changes that would adversely impact small businesses utilizing the program. SFAA and NASBP strongly encouraged the SBA to maintain its role as a certifier of protégé firms seeking to participate in the program. Given recent developments concerning the False Claims Act, the potential removal of SBA certification may have a chilling effect on the willingness of sureties to provide surety credit for joint ventures established to take on SBA set aside contracts. Additionally, SFAA and NASBP urged against the SBA limiting firms with more than $100M of annual revenues from participating as mentors in the program. Large construction firms with annual revenues greater than $100M are some of the most sophisticated contractors with greater resources available to small and emerging business contractors.

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**New Updates to SFAA’s Legislative Tracking Reports Posted**

SFAA has updated several of its regulatory and legislative tracking reports for this legislative session. The new [Priority State Bills Legislative Report](#) is available for members to access here. Additionally, the [Comprehensive State Legislative Report](#) and separate reports for all lines of business ([Contract](#), [Commercial](#), [Bail](#) and [Fidelity](#)) relevant to SFAA members have been updated. Tracking reports for [federal legislation](#) and [federal regulation](#) are also available for members to access.

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**Register for SFAA’s 2020 Fly-In Today!**

Please click here to register for SFAA’s 2020 Legislative Fly-In on March 4 and 5 in Washington, DC. Please note,
attendees are responsible for making their own hotel accommodations for the event.

Registration closes by close of business today, February 11!

***SAVE THE DATE*** SFAA's 112th Annual Meeting

SFAA will be holding its 112th Annual Meeting from May 27-28, 2020 at the Fairmont Hotel, located in Washington, DC. SFAA was able to negotiate a hotel room discount with the Fairmont Hotel - click here to make your reservation.

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www.surety.org

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